

**New Source Review Retooling Advisory Group
Meeting No. 1, Madison, WI - September 4, 2003**

Advisory Group Participants: Tom Estock, Quad Graphics Inc.; Rick Osa, STS Consultants; Mark Thimke, Foley & Lardner; Annabeth Reitter, StoraEnso; Todd Palmer, DeWitt Ross & Stevens; Jeff Schoepke, Wisconsin Manufacturers & Commerce; Howard Hofmeister, Bemis Co. Inc.; Paul White, We Energies; Michele Pluta, Alliant Energy; Thomas T. Stocksdale, S.C. Johnson; Mike Cassidy, Kohler Co.; Dave Hildreth and Imelda Stamm, DNR Northeast Region; Jeff Burger, DNR Southeast Region; Lloyd Eagan, DNR Bureau of Air Management.

Others: Gary Van Helvoirt, Wisconsin Public Service Corp.; Ed Wilusz, Wisconsin Paper Council; Carla Kramer, International Paper; Jason Martin, Short Elliott Hendrickson; Susan Rosenberg, Madison Gas & Electric; Neil Howell, Dept. of Administration; Renee Bashel, Dept. of Commerce; Elizabeth Kluesner, DNR Executive Assistant; Marcia Penner, DNR Legal Services; Mark McDermid and John Shenot, DNR Bureau of Cooperative Environmental Assistance; Caroline Garber, Steve Dunn, Anne Urbanski (notetaker), DNR Bureau of Air Management; Darin Harris, DNR Management & Budget (facilitator).

Handouts: Available at <http://www.dnr.state.wi.us/org/aw/air/hot/nsr/>

Next meeting: September 17, 2003, from 9:00 a.m. to 1:00 p.m. in 3rd Floor Licensing Conference Room (near pillar E8), GEF 3, 125 S. Webster Street, Madison.

Proceedings

Welcome, charge to committee, introductions:

Elizabeth Kluesner reiterated Secretary Hassett's commitment to NSR retooling and his desire for the group to stay on process to present rule revisions to the December 2003 Natural Resources Board meeting. The important deliverable now is to develop a project plan, break into work groups and think about how to translate foundation issues into tangible results. Think about how you can bring your expertise to bear in different topical areas quickly.

Facilitator Darrin Harris said he'd spoken with almost everyone in the group about the value of sharing interests. DNR's approach is mutual gains – win/win – seeking common ground and consensus. The value of committee is to look for win/win/win situation. People seated at the tables are “participants” on the core team. They received letters from Sec. Hassett inviting them to participate. Harris noted the following participation guidelines. Use curiosity questions for better understanding; engage your learning and communication style; search for win/win – consensus; share your truth and listen for the truth of others; raise hand to be recognized; practice deep listening.

Sharing of interests (outcome: list of interests; matrix or challenge statement). Interests captured by Darin Harris:

- **DNR (Eagan)** - (1) pollution in nonattainment areas. (2) Protect air quality increment in attainment areas. (3) Protect local ambient air quality standards on site-specific basis. (4) Changes to NSR should decrease administrative burden.
- **Quad Graphics (Estock)** - (1) Operational flexibility. (2) Actual not potential emissions (Plantwide Applicability Limit - PAL). (3) Reduce administrative burden; quicker turn-around on permits. (4) Future growth, credits. (5) Improved customer service. (6) Increased regulatory and enforcement consistency.

- **STS Consultants (Osa)** -- (1) Flexibility. (2) PAL that is workable (defined). (3) Well-defined implementation of NSR.
- **Dept. of Commerce (Bashel)** -- (1) How elements can be used by small businesses. (2) Pre-defined (easy to follow) instructions on how to use.
- **Foley & Lardner (Thimke)** -- (1) Use federal rules as baseline for NSR. (Be consistent so we attract business to state.) (2) Integrate minor sources in our process (ch. NR 406).
- **Wisconsin Paper Council (Reitter)** -- (1) Have detailed line-by-line review of federal rule. (2) Change to actual-to-future actual test. (3) Obtain realistic emissions baseline. (4) Major modification language. (5) Minor source (something) must be reviewed. (6) Reduce record-keeping requirements. (7) Consistency within state and with other states. (8) Safe harbor provision.
- **Wisconsin Manufacturers & Commerce (Schoepke)** -- (1) Reduce administrative burden. (2) Start with federal language. (3) Include minor source in review.
- **Bemis Co. (Hofmeister)** -- (1) Operational flexibility. (2) Consistency (also policy consistency) with other states and within Wisconsin. (3) Enforceability of law should be clear and achievable. (4) Reduce administrative burden, including reporting requirements.
- **We Energies (White)** -- (1) Clarity and consistency / bright line. (2) Reduce administrative burden. (3) Flexibility.
- **Alliant Energy (Pluta)** -- (1) Consistent rules. (2) Flexibility. (3) Help provide reliable power. (4) Include routine maintenance. (5) Stay focused on permits for new sources. (6) Need to create certainty in use of rules.
- **S.C. Johnson (Stocksdale)** -- (1) Need to define what is maintenance and what is not. (2) Need PAL that will work. (3) Flexibility and cost savings measures. (4) Flexibility to allow for changes of materials.
- **Kohler Co. (Cassidy, for Myron Hafele)** -- (1) Work with federal rules. (2) "Same as industry interests."

Select Foundation Issues (outcome: Foundation issues to focus our effort on first)

Based on the interests presented previously, the committee distilled the following themes that participants seem to agree on to guide this process:

- Clarity/Bright Line
- Operational flexibility
- Include minor sources
- Reduce administrative burden
- Improve consistency
- Make programs useable for business
- Protect public health, specifically improve air resource in non-attainment areas, and protect increment.
- Use federal rule as starting point

Project Plan (outcome – Timeline for when foundation and additional issues will be discussed and who will prepare for discussion)

The following is a general outline of the steps the committee will take:

- Review 30-40 pages of actual "new" language in federal NSR rule
- DNR will draft rule language and will indicate areas that they believe are problematic, need more work, or are missing.
- Committee members will provide their write-ups of areas missing, problematic or need more work.

- Committee will decide on which areas to focus its work
- Committee will work through these areas and see if a consensus solution emerges
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Possible Next Steps: The following next steps were proposed by members---

- Step 1 - Review and analysis of federal rule of 12/31/2002
- 60 page review
- Section by section - comment on areas where details are missing, where people disagree with draft
- DNR will find/itemize the 1,000 tons of additional pollutants that Eagan said were emitted last year by facilities that weren't subject to NSR but should have been.
- PAL implementation
- Determine areas where something is missing, participants disagree, etc.
- Include routine maintenance, repair and replacement (RMRR) rule?
- Include minor source?
- Decide on which federal rule you're reviewing next.

Next Steps

STEP 1 – Review and analysis of federal rule of 12/31/02.

- 9/12 - DNR will send out its draft markup comments
- 9/17 -- Meeting to discuss draft markup. DNR will also present information about 1,000 tons.
- 9/22 - First round of group member comments due back to DNR. Staff will then synthesize comments and send out full compiled draft before next meeting.
- 10/2 - Meeting to discuss compiled draft

STEP 2 – filling of holes, workingthrough areas of concern, needs, or missing . Weekly meetings October 8 through November 5 so DNR can meet green sheet deadline for December NRB meeting.

Next Meetings:

- Meetings 10/8, 10/15, 10/23, 10/29, 11/5. 9:00 am to 1:00 p.m.
- **AFTER Green sheet goes out to board, group will come back to discuss minor sources.
- Meeting dates for 2004 will be determined later this fall.